

Iowa Pension Systems Overview

Comparing plans from system to system is difficult due to differences in plan design, plan membership, contribution structure, and actuarial assumptions used by the plans. The data contained in the following tables is intended to provide basic information regarding a few system demographics, plan provisions, plan costs, and actuarial assumptions.

Table 1 provides information regarding membership requirements for the Iowa Public Employee's Retirement System (IPERS), Municipal Fire and Police Retirement System (MFPRSI), Peace Officers' Retirement System (PORS) and the Judicial Retirement System.

Table 1 – Membership Requirements

System	Membership
IPERS - Regular	Most State, County and City employees, public education system employees, public health system employees.
IPERS Sheriffs & Deputies	County Sheriffs and Deputy Sheriffs
IPERS Protection Occupation	Conservation Officers, Airport Firefighters, Correctional Officers, Department of Transportation Peace Officers, County Jailers, County Attorney Investigators, EMS providers, peace officers and firefighters not covered by Iowa Code Chapters 400, 410, or 411.
MFPRSI	Peace officers and firefighters of cities with a population of 8,000 or greater in the 1990 census.
PORS	Peace officer members of the Department of Public Safety
Judicial	Supreme Court, Appeals Court, District Court, District Associate, Associate Probate, and Associate Juvenile Judges

Table 2 provides basic information regarding the active and retired membership of each system, and covered payroll and benefits paid. All data is as of the June 30, 2012, actuarial valuation.

Table 2 – Member Information

System	IPERS Regular	IPERS Sheriffs & Deputies	IPERS Protection Occupation	MFPRSI	PORS	Judicial
Active Membership	155,800	1,530	6,870	3,888	618	192
Retired Members	99,324	671	1,682	3,816	541	186
Covered Payroll (in millions)	\$6,510.5	\$95.2	\$322.05	\$258.5	\$43.9	\$25.8
Annual Benefits Paid (in millions)	\$1,392.0	\$18.7	\$37.99	\$126.2	\$23.3	\$9.2
Average Active Member Annual Salary	\$37,986	\$57,927	\$43,410	\$66,491	\$71,040	\$134,167
Average Retired Member Annual Benefit	\$14,136	\$28,284	\$22,286	\$33,084	\$43,402	\$49,561

Table 3 provides basic information regarding benefit requirements, maximum benefits, and post-retirement increases. The MFPRSI is the only system that provides a guaranteed post-retirement cost of living adjustment to a retired member's pension, while the other systems may provide an adjustment based on active member salaries, investment performance, or retirement date.

Table 3 – Benefit Requirements

System	IPERS Regular	IPERS Sheriffs & Deputies	IPERS Protection Occupation	MFPRSI	PORS	Judicial
Vesting Period	7 Years	4 Years	4 Years	4 Years	4 Years	4 Years
Retirement Based On	High 5	High 3	High 3	High 3	High 3	High 3
Maximum Service Retirement Benefit/ Years of Service	65%/35	72%/30	72%/30	82%/30	88%/32	65%/20
Cost of Living Adjustment	Yes	Yes	Yes	Yes	Yes	Yes

Actuarial Information – The actuarial assumptions used by each of the systems are set by the Boards of Trustees with input and advice from the actuarial firm contracted by the systems. Assumptions are reviewed every four to five years by the system actuary who conducts an experience study examining the actuarial methods and assumptions and how the experience of the system compares to those methods and assumptions. Economic assumptions such as inflation, wage growth, and investment return are examined as well as the demographic assumptions of mortality, retirement, and disability rates, terminations, and salary increases, among others. A comparison of several basic actuarial assumptions, plan provisions, and metrics for each of the systems is provided in **Table 4**. All data is as of the June 30, 2012, actuarial valuation.

Table 4 – Actuarial Information

System	IPERS Regular	IPERS Sheriffs & Deputies	IPERS Protection Occupation	MFPRSI	PORS	Judicial
Employee Contribution (% of covered wages)*	5.95%	9.88%	6.76%	9.40%	10.85%	9.35%
Employer Contribution (% of covered wages)*	8.93%	9.88%	10.14%	30.12%	29.00%	30.60%
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Mortality Table	RP 2000	RP 2000	RP 2000	Weighted**	RP 2000	RP 2000
% Investment Return	7.50%	7.50%	7.50%	7.50%	8.00%	7.50%
Normal Cost	10.17%	16.62%	16.04%	18.37%	26.22%	22.03%
Smoothing Period	4 Years	4 Years	4 Years	5 Years	4 Years	4 Years
Amortization Period	30-Year Open***	30-Year Closed	30-Year Closed	25-Year Open	30-Year Closed	25-Year Closed
Amortization Method	Percent of Payroll	Percent of Payroll	Percent of Payroll	Level Dollar	Percent of Payroll	Level Dollar
Funded Ratio	79.20%	88.70%	95.10%	79.00%	61.00%	68.89%
Unfunded Actuarial Accrued Liability – UAAL (in millions)	\$5,805.83	\$56.78	\$53.49	\$655.24	\$187.25	\$52.96
UAAL Per Capita Active	\$37,264	\$37,111	\$7,786	\$168,529	\$302,994	\$275,833
* FY 2014 contribution rate						
** four-twelfths 1971 Group Annuity Mortality Table and eight-twelfths 1994 Group Annuity Mortality Table						
*** moves to a 30-year closed period effective 6/30/2014.						

Return on Investment – **Table 5** reflects the average rates of return on investment on a market basis for each of the systems for the periods of time specified. The 20-year average reflected for MFPRSI is since inception in 1992 and the 30-year figure reflected for Judicial represents 1986 through 2012 returns.

Table 5 – Investment Returns

System	Assumed Return	FY 2012 Return	5-Year Average	10-Year Average	20-Year Average	30-Year Average
IPERS	7.50%	3.73%	3.97%	7.84%	8.92%	11.06%
MFPRSI	7.50%	0.22%	2.08%	7.89%	9.60%*	N/A
PORS	8.00%	-1.97%	3.52%	7.12%	8.38%	10.59%
Judicial	7.50%	-1.46%	3.42%	5.52%	7.28%	7.64%**

* Since inception on January 1, 1992

** Data prior to 1986 not available